

Message Text

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FOR J. BILLER, US DEL TO ICAO TALKS

FOL RPT PARIS 11612 ACTION SECSTATE INFO LONDON 20 APR 77 QUOTE

LIMITED OFFICIAL USE PARIS 11612

E.O. 11652 N/A
TAGS: EAIR, FR, US
SUBJECT: CIVAIR: NATIONAL'S MIAMI-PARIS OPERATION

REF: STATE 78673

1. SUMMARY: DGAC HAS ASKED NATIONAL TO PROVIDE
YET MORE SUPPORTING DATA FOR MIAMI-PARIS OPERATION
AND WE ARE TOLD NO DECISION WILL BE TAKEN BY
DGAC BEFORE ESPEROU'S RETURN END THIS MONTH.
FOREIGN MINISTRY WAS ALSO NOT FORTHCOMING, AND IN
FACT REMINDED US SOMEWHAT OMINOUSLY OF TIME IT HAD
REQUIRED TO PROCESS AIR FRANCE'S APPLICATION FOR
CANCUN SERVICE. WE MENTIONED TO DGAC DEPARTMENT'S
VIEW THAT NATIONAL SHOULD BE PERMITTED TO OPERATE
FROM CDG (NO FINAL DECISION YET, WE WERE TOLD),
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BUT WE DID NOT DRAW EXTENSIVELY ON SUGGESTED
TALKING POINTS WHICH, FOR REASONS WE INDICATE, WOULD
NOT HAVE BEEN TOO HELPFUL. DEPT. MAY WISH
CONSIDER OUR SENDING FOLLOW-UP NOTE TO FOREIGN
MINISTRY AND/OR HAVING USDEL AT ICAO CONFERENCE
SPEAK TO ESPEROU. END SUMMARY.

2. ON APRIL 19 WE QUERIED DGAC STAFF LEVEL
OFFICIAL PROCESSING NATIONAL
AIRLINES DOSSIER TO ASCERTAIN WHERE THINGS STOOD.

WE WERE TOLD THAT UNDER INSTRUCTIONS OF ESPEROU (WHO HAD DEPARTED FOR ICAO CONFERENCE IN MONTREAL ALMOST A WEEK EARLIER) DGAC HAD AT END LAST WEEK WRITTEN TO NATIONAL ACKNOWLEDGING RECEIPT OF TECHNICAL DATA REQUESTED AND NOW ASKING NATIONAL TO SUBMIT AN "ECONOMIC STUDY" RELATING TO MIAMI-PARIS ROUTE. (NATIONAL'S PARIS REP HAD EARLIER ALERTED US TO THIS DEVELOPMENT AND INFORMED US THAT IN REPLY NATIONAL HAD SEND DGAC TRAFFIC AND REVENUE FORECASTS EXCERPTED FROM NATIONAL'S APPLICATION TO CAB, THOUGH WITHOUT DATA RELATING TO IMPACT ON HOUSTON TRAFFIC.)

3. WE INFORMED DGAC THAT WE WERE SURPRISED AT THE DELAY AND PUZZLED OVER THIS LATEST REQUEST TO NATIONAL. DESIGNATION OF CARRIER TO OPERATE ROUTE FOR WHICH TRAFFIC RIGHTS EXISTED UNDER US-FRANCE BILATERAL SHOULD BE NO MORE THAN A ROUTINE FORMALITY, WE ARGUED, SO THAT WE FAILED COMPREHEND THE REASONS FOR THE DELAY OR THE REASONS WHY THE DGAC REQUIRED SO MUCH SUPPORTING DATA. WE WERE TOLD THAT STAFF WAS SIMPLY CARRYING OUT ESPEROU'S ORDERS AND DECISION WOULD BE TAKEN BY ESPEROU WHEN HE RETURNED TO PARIS IN ANOTHER WEEK.

4. WE TOOK THE OCCASION TO INQUIRE ABOUT AIRPORT LIMITED OFFICIAL USE
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FROM WHICH NATIONAL WOULD OPERATE AT PARIS(REFTEL). WE WERE TOLD THAT NO DECISION HAD BEEN TAKEN IN THIS REGARD BUT HERE TOO ESPEROU WOULD ULTIMATELY DECIDE. WE STATED THAT WE WERE UNDER INSTRUCTIONS TO INFORM DGAC THAT DEPARTMENT CONSIDERED NATIONAL SHOULD BE PERMITTED TO OPERATE FROM CDG WHERE CONNECTIONS WOULD BE BETTER FOR ITS PROPOSED SERVICE AND ALSO SINCE BY VIRTUE OF TREATY OBLIGATIONS WE DID NOT CONSIDER THAT NATIONAL COULD BE FORCED TO OPERATE FROM ORLY RATHER THAN CDG AGAINST ITS WISHES. WE ASKED THAT OUR VIEWS BE BROUGHT PROMPTLY TO ESPEROU'S ATTENTION UPON HIS RETURN TO PARIS AT WHICH TIME WE MIGHT WISH TO DISCUSS THE MATTER FURTHER WITH HIM BEFORE HE TOOK ANY DECISION ON LOCUS OF NATIONAL OPERATIONS.

5. WE THEN SPOKE WITH CLAUDE-LAFONTAINE OF FOREIGN MINISTRY, EXPRESSING SURPRISE AND CONCERN THAT WE HAD NOT YET RECEIVED ACKNOWLEDGEMENT OF OUR NOTE TO FOREIGN MINISTRY OF OVER A MONTH AGO DESIGNATING NATIONAL AND THAT IT APPEARED AFTER OUR TALKS WITH DGAC THAT NOTE WOULD NOT BE FORTHCOMING BEFORE

ANOTHER WEEK OR MORE AT THE EARLIEST. WE MADE THE SAME POINT TO HER AS WE HAD TO THE DGAC ABOUT THE FORMALITY OF DESIGNATION FOR A ROUTE FOR WHICH WE

HAD TRAFFIC RIGHTS. SHE REPLIED DRYLY THAT THIS WAS NO DIFFERENT FROM THE SITUATION REGARDING THE CANCUN ROUTE, FOR WHICH THE CAB HAD KEPT AIR FRANCE WAITING FOR MONTHS PENDING STUDY OF THE ECONOMIC IMPLICATIONS OF THE OPERATION. WE HAD NO READY REBUTTAL. CAN THE DEPARTMENT PROVIDE US WITH ONE?

6. NATIONAL REP HAD EARLIER INFORMED US HE HAD LIMITED OFFICIAL USE
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BEEN TOLD BY AILLERET, DIRECTOR OF OPERATIONS AT AEROPORT DE PARIS, THAT HE UNDERSTOOD GOF DECISION ON MIAMI-PARIS SERVICE BY NATIONAL MIGHT BE CONTINGENT ON NEW YORK DECISION ON CONCORDE. CLAUDE-LAFONTAINE DID NOT, HOWEVER, MENTION CONCORDE DURING OUR CONVERSATION.

7. RE PARA 4 ABOVE, WE DID NOT UTILIZE DETAILED TALKING POINTS PROVIDED REFTEL SINCE WE FEARED THEY WOULD NOT BE VERY HELPFUL. WE SUGGEST DEPT. TAKE ANOTHER LOOK AT THIS GUIDANCE. DETAILED COMMENTS FOLLOW:

A) UNTIL WE KNOW MORE OF THE DETAILS, WE ARE NOT SURE THAT GOF IS ACTING TO "CONFINE" NATIONAL TO ORLY (PARA 1 REFTEL), WHICH WOULD SUGGEST TO US CONSCIOUS ACT TAKEN FOR COMMERCIAL OR OTHER REASONS IN SITUATION WHERE GOF HAD FULL LATITUDE. ACTUALLY, HOWEVER, THE SITUATION MIGHT BE QUITE DIFFERENT. CDG DESIGN CALLS FOR SEPARATE TERMINAL FOR AIR FRANCE, CONSTRUCTION OF WHICH WAS DEFERRED, HOWEVER, FOR ECONOMY REASONS. CLOSING OF LE BOURGET TO COMMERCIAL TRAFFIC AS OF END MARCH, AS PREVIOUSLY REPORTED, HAS MEANT THAT COMPANIES PREVIOUSLY OPERATING FROM LE BOURGET HAVE BEEN REASSIGNED TO EITHER CDG OR ORLY. PROBLEM AT CDG, SO NATIONAL REPS THEMSELVES HAVE CONFIDED TO US HERE, IS NOT WITH TIME SLOTS, COUNTER SPACE OR GROUND HANDLING (PARA 1 (F) REFTEL), BUT WITH POSITIONING OF AIRCRAFT AT ALREADY CROWDED SATELLITES AROUND THE MAIN TERMINAL. ASSUMING THAT GOF COULD WITH SOME HARDSHIP ACCOMMODATE NATIONAL AT CDG, GOF MIGHT BE RELUCTANT TO DO SO IF, AS IS PRESENTLY THE CASE, NATIONAL HAS AUTHORITY TO OPERATE TO PARIS ONLY FOR THE VERY SHORT PERIOD OF THREE MONTHS.

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B) LEAD-OFF TALKING POINT (PARA 1(A) REFTEL)
WORKS COUNTER TO POINT NATIONAL WISHES TO MAKE.
WITH THE EXCEPTION OF NICE, CONNECTIONS TO THE
PROVINCIAL CITIES MENTIONED ARE FAR BETTER FROM
ORLY. IN FACT, AIR FRANCE HAS BEEN CARRYING ON
RUNNING BATTLE FOR MONTHS WITH GOF TO FORCE
AIR INTER TO MOVE A LARGER VOLUME OF ITS DOMESTIC
FLIGHTS TO CDG SINCE AIR FRANCE CLAIMS TO
BE HURTING FROM THE POORER CDG CONNECTIONS TO THE
PROVINCES. MOREOVER, IN 1974 WE MADE A SERIES
OF DEMARCHES (UNSUCCESSFULLY) TO THE GOF OVER
THE POOR CONNECTIONS TO THE FRENCH PROVINCES FROM
CDG WHERE TWA AND PANAM WERE FORCED TO MOVE IN
ADVANCE OF AIR FRANCE; FRENCH CIVAIR OFFICIALS
READILY CONFESSED AT THE TIME THAT THE SITUATION WAS
DISCRIMINATORY. IT WOULD BE STRAINING LOGIC A BIT
FOR US NOW TO POINT TO THESE ADMITTEDLY POORER
CONNECTIONS AS JUSTIFYING NATIONAL'S PREFERENCE FOR
CDG OVER ORLY.

C) WHILE THERE IS NO DAILY SCHEDULED SERVICE
TO NEW YORK BY ANY SINGLE CARRIER OPERATING FROM
ORLY (PARA 1(C) REFTEL), THERE IS AT LEAST ONE
NEW YORK FLIGHT PER DAY BY ONE OF THE FOUR FOREIGN
CARRIERS SERVING NEW YORK FROM ORLY (EL AL, IRAN AIR,
AIR INDIA, AND PIA). ALSO, ABSENCE OF ANY
SCHEDULED SERVICE BETWEEN ORLY AND LONDON IS
NOT TOO MEANINGFUL IN THAT CAB AUTHORIZATION OF
NATIONAL'S MIAMI-PARIS SERVICE IS NOT CONTINGENT
ON SUSPENSION OF CARRIER'S MIAMI-LONDON
SERVICE.

D) QUITE OBJECTIVELY, IS HARDSHIP OF
HAVING TO TRANSFER FROM CDG TO ORLY MUCH DIFFERENT
FROM HAVING TO TRANSFER FROM JFK TO LAGUARDIA OR
FROM DULLES TO WASHINGTON NATIONAL AIRPORT (APART
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FROM CUSTOMS CLEARANCE)?

E) WE DOUBT THAT GOF OR AIR FRANCE WOULD

FIND PARA 1(E) REFTEL ESPECIALLY PERSUASIVE. GAIN
TO AIR FRANCE FOR CARRIAGE OF SOME OF NATIONAL
TRAFFIC BEYOND PARIS MIGHT NOT OFFSET LOSS TO
AIR FRANCE OF REVENUE FROM LONG-HAUL TRAFFIC OUT OF

HOUSTON BECAUSE OF COMPETITION FROM NATIONAL.

F) RE PARA 1(G) REFTL, DOESN'T ARTICLE 68 OF THE CHICAGO CONVENTION, TO WHICH ARTICLE 15 REFERS, INDEED ENABLE THE GOF TO ASSIGN NATIONAL TO WHICHEVER PARIS AIRFIELD IT WISHES? MOREOVER, BOTH CDG AND ORLY ARE ADMINISTERED BY THE SAME ENTITY, NAMED "THE AIRPORT OF PARIS" (L'AEROPORT DE PARIS), WITH THE RESULT THAT THE GOF COULD PERHAPS CONTEND THAT CDG AND ORLY TERRAINS ARE TO BE CONSIDERED, AS THEY ARE ADMINISTRATIVELY, PART OF THE SAME AIRPORT (IF NOT AIRFIELD). AND, LASTLY, IF WE WERE TO CITE TREATY OBLIGATIONS QUOTED PARAS 1(G) AND (H), FRENCH WOULD CERTAINLY THROW THEM RIGHT BACK AT US AS APPLICABLE TO CONCORDE AT NEW YORK. WE COULD ARGUE THE POINT BUT WE FEAR THAT WE WOULD HAVE LOST OUR AUDIENCE AT THE OUTSET.

6. THE PROBLEM OF CITING LEGAL ARGUMENTS TO THE FRENCH IN SUPPORT OF NATIONAL'S DESIRE TO OPERATE FROM CDG IS THAT THIS IS OVERSHADOWED BY THE LEGAL ARGUMENT THAT IS EVEN CLEARER CUT WHEREBY WE ARE ENTITLED TO DESIGNATE A US CARRIER FOR MIAMI-PARIS ROUTE AND GOF SHOULD ACT PROMPTLY TO COMPLETE THE FORMALITY OF NOTIFICATION OF DESIGNATION. BUT THE GOF HAS NOT DONE SO AND WE DO NOT KNOW WHEN THE GOF WILL DO SO. IT SEEMS TO US THAT IN THE LIMITED OFFICIAL USE LIMITED OFFICIAL USE

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FIRST INSTANCE OBTAINING GOF AUTHORIZATION FOR NATIONAL TO EXPLOIT THE MIAMI-PARIS ROUTE IS MORE IMPORTANT THAN PINNING DOWN THE AIRPORT FROM WHICH NATIONAL WOULD THEN OPERATE FOR THREE MONTHS. MAKING AN ISSUE OF AIRPORT LOCUS AT THIS STAGE MIGHT BE COUNTER-PRODUCTIVE IN TERMS OF OBTAINING PROMPT AUTHORIZATION OF THE SERVICE.

8. USTS HAS JUST INFORMED US THAT NATIONAL IS SEEKING USTS CO-SPONSORSHIP OF A RECEPTION TO BE HELD PARIS DURING LATTER HALF OF MAY TO CELEBRATE INAUGURATION OF THE MIAMI-PARIS ROUTE(AND FOR WHICH INVITATIONS WOULD BE SENT OUT SHORTLY). WHEN ASKED FOR OUR COUNSEL WE RECOMMENDED PRUDENCE. USTS WOULD RISK ANTAGONIZING THE DGAC IF INVITATIONS GO OUT PRIOR TO DGAC APPROVAL OF MIAMI-PARIS SERVICE, THUS SUGGESTING USTS ALSO CONSIDERS DGAC APPROVAL A FOREGONE CONCLUSION, AND USTS RISKS UPSETTING NATIONAL IF IT DOES NOT AGREE TO CO-SPONSOR THE EVENT.

9. COMMENT: IT IS CERTAINLY OBVIOUS THAT GOF IS
DRAGGING ITS FEET ON NATIONAL'S CASE AND WE HAVE
NO IDEA HOW LONG THE DELAY WILL CONTINUE.
CLAUDE-LAFONTAINE'S REFERENCE TO THE CANCUN CASE
IS NOT REASSURING. PERHAPS THINGS WILL MOVE ONCE
ESPEROU RETURNS TO PARIS, BUT THERE IS NO CERTAINTY
OF THIS. DEPT. MAY THEREFORE WISH TO CONSIDER
INSTRUCTING US TO SEND FOLLOW-UP NOTE TO FOREIGN
MINISTRY AND/OR HAVING US DEL TO ICAO SPECIAL AIR
TRANSPORT CONFERENCE DISCUSS THE QUESTION WITH
ESPEROU AT MONTREAL. QUESTION OF WHETHER NATIONAL
COULD BE AUTHORIZED TO OPERATE FROM CDG COULD ALSO
BE DISCUSSED THERE WITH ESPEROU ON THE SAME
OCCASION AND WE COULD THEN FOLLOW UP WITH HIM AS
APPROPRIATE ON HIS RETURN TO PARIS.

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HARLAN

UNQUOTE VANCE

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